

Update



Hydropower to the People

by Sharon King



In observance of National Public Power Week, Southwestern joined with the U.S. Army Corps of Engineers (Corps) and the Southwestern Power Resources Association (SPRA) in a celebration at Tenkiller Dam on Saturday, October 11, appropriately entitled, "Hydropower to the People." This was the first annual jointly-sponsored event, spearheaded by Ted Coombes of SPRA. Plans call for succeeding celebrations to be rotated to different sites.

The hours for the event were officially 9:00 a.m. to 5:00 p.m., but many hours of hard work went into ensuring that it was a success. Representatives from the three sponsoring groups arrived at Tenkiller on Friday afternoon to put up tents and enjoy



an evening cookout meal provided by SPRA. Early Saturday morning the displays were assembled. Southwestern provided three pieces of equipment for display: a bucket truck (complete with "Rugged Ron," Southwestern's life-sized training mannequin), an auger and a boom truck. Shuttle buses transported visitors from the parking

lot to the display/powerhouse site. The Gore VFW Ladies' Auxiliary sold chili dogs, Frito pies and cupcakes, while Southwestern's display included cookies and punch for visitors. Kraig Kahler of Duncan Power and Light operated the Municipal Electric Systems of Oklahoma's (MESO) display, "Hazard Hamlet." Also represented was the Oklahoma Department of Fish and Wildlife. The Corps gave powerhouse tours throughout the day.

Local band "Skunk and Bowlegs" provided music for everyone's listening pleasure. The beautiful weather made dancing and Frisbee tossing a part of the festivities. Generation was halted to reduce the noise level for the event, but lucky latecomers were treated to the resumption of generation around 5:00 p.m. Several of these were fishing aficionados who dropped in after a day's fishing on the banks of the Illinois River. As they pitched in to disassemble tents and displays, sponsors agreed that the celebration was a success and look forward to next year's event. 💧



Southwestern Update

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The UPDATE is
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by and for customers,
retirees, employees and
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of Southwestern Power
Administration like:



Jim O'Kelley
Electrician Helper
Gore Substation Crew
Gore, Oklahoma

Special thanks to:

Barbara DelGrosso
Beverly Dyer
Francis Gajan
Ruben Garcia
Yvonne Grewe
Tracey Hannon
Sharon King
Linda Morris
Gene Reeves
DeAnn Rhea
Paul Richard
Sharren Ripley
Laurence Yadon

Current pinion

Southwestern's Cornucopia . . .

I was recently reminded again of just how lucky we all are to work at Southwestern Power Administration with such a great group of people. Sometimes I forget and get frustrated with all the turmoil around us and the bureaucracy we have to deal with, but if we look at what we have in spite of the craziness, you'll find a wonderful treasure.

We have an Administrator who is open, honest, supportive, and committed to keeping Southwestern viable and the best PMA around. We have a Senior Staff which is far from perfect, but which honestly cares about the people at Southwestern and hurts when things don't go right for us all. We don't always make perfect decisions, but we always try to do the right thing. We have wonderful facilities, fulfilling jobs, a satisfying and important mission, great and supportive customers, and even though we've had to cut back in recent years, plenty of resources to get our jobs done.

We have a tremendous group of supervisors who are dedicated to their specialties and to their staffs, as well as to Southwestern and our mission. They put in countless hours encouraging and leading their employees to be creative, self-motivated and productive members of Southwestern's team.

But I've really saved the best until last and that's the employees of Southwestern. We have an exceptional group of people who are in every sense of the word, family, with all the meaning that word can engender, except perhaps direct, blood relationship. We work together for a common cause and, in spite of an occasional spat, stick together through thick and thin (good budgets and bad budgets). Our working together goes way beyond just the daily grind of Southwestern's business for the Government and our customers, but includes helping each other ride out the storms of life both emotionally and financially, if needed.

It also goes to our generosity in raising money, food, clothing or doing whatever for people we don't even know who are in need. We have fun together in all these endeavors regardless of the whirlwinds of change swirling around us and we will do whatever is necessary to achieve our goals, even if it means making ourselves look silly. We have so much to be thankful for that sometimes we forget the good things and take them for granted. We are blessed beyond measure and I for one occasionally need a "two-by-four upside the head" to remind me to think about the good things we have and our friends and family at work and at home. God bless you all, have a wonderful Thanksgiving, and don't forget to give special thanks for Southwestern Power and our co-workers.



Gene Reeves
Assistant Administrator
Office of Corporate Operations

Financing for the Future - *Fast Money*

by Linda Morris

This February, General Services Administration (GSA) kicked off its newest effort at saving the Government money and letting each independent agency run as efficiently and effectively as it chose. GSA awarded five contracts to five banks to provide travel, purchase and fleet cards to the federal government: First Chicago, Citibank, NationsBank, Mellon Bank, American Express and the incumbent, U.S. Bank. Southwestern's own Linda Morris was part of the team tasked with selecting the bank which the Department of Energy would use. Members from all areas of the Department, including three of the PMA's, were allowed to see the new bank's presentations, ask questions and see demonstrations of the "on-line" software. The Department chose NationsBank because their services and administrative features were deemed the best for the agency, specifically, electronic statements, electronic billing and elimination of a great deal of redundant paper. NationsBank also offered VISA, a product which has a high degree of customer recognition and acceptance.

In an effort to cut costs and streamline processes, Southwestern's Procurement office decided to implement a pilot program earlier this year using convenience checks, which will be offered by NationsBank, a priority for all of the Department. The checks are tied to the credit card in the amount of spending limits and types of supplies and services purchased. So far, these checks have saved large



sums of money by eliminating the required administrative steps involved with Imprest Fund and paper transactions. Now the vendor or merchant gets a check as soon as the supplies or services are received.

Training on the software will be made available for all affected employees in early November. Cardholders will no longer receive a paper statement, but merely call up their accounts on the Internet. Statements can be accessed any time during the month to ensure that purchases are correct. Disputes and statement reconciliation will also be available for on-line processing.

The new travel card will also be a VISA, but is different in appearance. It features an airplane on the front to

distinguish it from the purchase card.

The fleet card is from Voyager, a subsidiary of VISA. It has unique reporting features which will enable Southwestern users to handle all fuel and maintenance on the vehicles.

Procurement is working closely with NationsBank to assure a smooth conversion for the card products; all of the current cards expire November 30, 1998.

WHAT'S NEXT?

The "card of the future" was also demonstrated – the integrated card that will serve as a travel card, purchase card, fleet card, phone card, entry to any federal building, and ATM card all in one. When the holder inserts the card into the computer it will make airline, hotel and automobile reservations. Upon return, the traveler will be able to download the travel information and print the travel voucher. The many benefits of the integrated card will far outweigh the costs associated with it. Implementation of the integrated card at Southwestern is still about two years away. ♦

Superstar Send-off

Honoring Francis Gajan's Decades of Service to Southwestern

by Sharon King



Francis and his lovely wife Judy celebrate with co-workers, family and friends a long and productive career.

news in brief

Thanks to the City Utilities of Springfield

At Southwestern's August 13th managers meeting, City Utilities of Springfield employee John Stephens, Director, Power System Control, provided a very interesting overview of the utility and their power operations.

It is important that Southwestern and its customers share information that can result in improved business efficiencies through partnering and sharing arrangements. Participation by this customer was greatly appreciated.

Landry's Seafood House was the site of the celebration of Francis Gajan's new status as a man of leisure. The luncheon was held on September 10 and was attended by an appreciative crowd of approximately 75 Fans of Francis. As attendees finished up their entrees, Southwestern Administrator

Mike Deihl gave a brief history of

Francis' Federal career, all of which was served at Southwestern. Mike related that Francis began as a temporary Personnel Clerk in 1962 and worked his way up the ladder to the position of Program Manager in the Office of the Administrator, which he has held since 1994. Marti Ayers was next on the agenda, presenting Francis with a memory book compiled by current and retired Southwestern employees. George Grisaffe then gave a mini-roast of Francis, complete with disclaimer. According to George, Francis always had nothing smaller than a \$100 bill when the lunch tab was presented. Francis immediately held up a \$100 bill to demonstrate that some things never change! On a more serious note, George gave a tribute to the unselfish Francis, who through the years ensured that children of Southwestern employees had needed back-to-school clothing and toys at Christmas when family budget prob-

lems or illness made their purchase difficult.

When Mike opened the floor for comments, former Southwestern legal counsel Charles Borchardt entertained the group with his favorite Francis story. When Southwestern occupied space in the old Federal building, just inside the entrance was a map detailing Southwestern's system. Francis proposed that a large red button be installed next to it, stating, "For more information on what Southwestern does, push the button." A showerhead behind would then be activated. Charles stated that it was the finest suggestion ever proposed by a Federal employee.

Perry Henson presented Francis with a beautiful putter to enhance his time on the links. Perry suggested that since a golfer "drives for show and putts for dough" Francis would now be in a better position to make his golf game profitable.

The final presentation of the day was a plaque signed by Southwestern's administrator, commending Francis for his 36 years of service.

The guest of honor then thanked all of the employees, retirees and family members who were in attendance. He stated that he felt lucky and blessed – with good parents, a good wife, three good sons married to three good daughters-in-law, and five-going-on-six good grandchildren. Francis said that he had had an interesting career, working with good people and seeing Southwestern built up to its present strong position in the Federal community. It's his belief that the future looks bright for Southwestern. 💧

Southwestern/Industry: Partners in Professionalism

Linda Morris

National Contract Management Association (NCMA), is an international organization for Purchasing and Contracting professionals. It serves primarily as an open forum for government and commercial market professionals to meet and discuss education, certification and procedural differences. Members meet monthly, typically inviting a speaker from the industry to address new acquisition techniques and discuss methods that will allow them to work together more effectively, resulting in time and cost savings for all. NCMA's main emphasis, though, is education. There is a certification program for purchasing agents up through experienced contracting officers. NCMA

played the leading role in moving the Federal 1102 (Contracting) job series to a professional classification. When the government and private sector join forces to educate and enhance careers it is a very powerful mix and produces some of the best and most affordable training available. Southwestern is very committed to the level of professionalism NCMA provides. With the encouragement and support of senior management, several of Southwestern's acquisition employees established the Tulsa chapter in 1987. Since that time the acquisition group

of Southwestern has hosted annual National Educational Seminars, assisted in the development and presentation of the first World Congress in Dallas in 1996, and provided a speaker and attendees at the second World Congress held this year in Huntsville, Alabama. Because of the alliance between NCMA and Southwestern, the agency has established a degree of staff professionalism that is

second to none!

NCMA also now welcomes as members the peripheral career fields of accountants, computer specialists, and property specialists to join with the

other groups that support and interface with the acquisition field. NCMA has a web site that provides Career Center information for applicants and employers, membership and seminar information, a monthly magazine, and training catalogs.

The web site address is www.ncmahq.org. The Tulsa Chapter meets the third Thursday of every month for lunch. Anyone is cordially invited to attend the meetings as a guest of the Southwestern members. 💧



news in brief

Sizzling Hot!
by DeAnn Rhea

The summer of 1998 found Southwestern's six-state service area experiencing moderate to severe drought conditions, unseasonably high temperatures, and record-setting electrical demands. Based upon these circumstances and by request from Operations, Mike Deihl, Administrator, exercised the authority delegated by the Secretary of Energy to activate the Continuing Fund.

The Continuing Fund is a permanent appropriation of \$300,000 established in 1949, and amended further in 1989, to defray emergency expenses necessary to insure Southwestern can meet its power contract requirements and operational responsibilities for maintaining system reliability. Because \$300,000 represents just a fraction of the anticipated monies needed, a request for additional funding was made to the U.S. Department of Energy by Southwestern's Administrator. A coordinated effort between Southwestern, the Department and the Office of Management and Budget resulted in additional funding provided through the remainder of the fiscal year.

Continuing Fund monies totaling \$2.9 million for purchases and losses of energy were used by Southwestern in FY 1998. The Administrator also requested monies for continued use of the fund to start in FY 1999. The previous implementation of the Continuing Fund was in 1981 when structural damage from tornadoes necessitated its use for repairs and reconstruction.

Educating Southwestern

by Sharren Ripley

Southwestern doesn't intend to settle for being average, but strives towards excellence on all fronts. As part of the FY 1999 initiatives a first-time event began on September 28, yielding great benefit at minimal cost. This year-long event will make for more valuable team members, support the mission, increase organization self-pride, heighten awareness of issues, assist customer relations and strengthen morale. (By the way, it's mandatory for every employee, both Federal and contractor.)

And what is this wonderful event we refer to? Employees will put on their thinking caps and attend twelve informative, cutting-edge training sessions on-site throughout fiscal year 1999. Administrator Mike Deihl outlined the concept in his September 14 State-of-the-Agency address and introduced the topics to be covered. Professional trainers will not be employed in this process; rather, employees and customers rich in experience and knowledge of the individual topics will conduct the sessions.

This training will take the place of many other classes normally secured outside the agency, thereby

saving travel dollars. The majority of the sessions will last from 30 minutes to one hour, minimizing disruption to the workday. Field offices will be included in the training via video conferencing. Each session will be videotaped to allow make-up viewing for those unable to attend.

Again Southwestern emphasizes the importance of investing in its employees, its most valuable asset. A well-informed workforce provides distinctive products and services. The FY 2000 agency workforce will be better informed and better prepared to serve all customers, internal and external, thanks in part to these training sessions (listed below).

SOUTHWESTERN'S CHARTER: SECTION FIVE OF THE FLOOD CONTROL ACT OF 1944

By Laurence Yadon

As a federal power marketing administration (PMA), Southwestern has a congressional charter based on six principles.

One - Southwestern is required by law to foster the widespread use of federal hydropower generated at U.S. Army Corps of Engineers dams in this region. Southwestern's Administrator has almost limitless discretion in deciding how it is to be distributed.

Two - Southwestern is mandated to provide hydropower at the lowest possible cost consistent with sound business principles. Its rates during the past twenty years have been among the lowest in this region. It is rated among the most efficient utility

9/28/98
Review of Origins and Authorities
11/2/98
Utility Industry Restructuring
12/7/98
ISO/SPP/NERC
1/4/99
System Overview, Generation & Transmission
2/1/99
Marketing/Rates/Continuing Fund
3/1/99
Dispatch/Operations
4/5/99
Oracle Overview, Activity-Based Costing
5/3/99
SPRA Customer Overview, Preference Status & Cost-based Rates
6/7/99
Washington DC Update & Overview
7/12/99
Maintenance Overview and Structure
8/2/99
Maintenance & Construction, 10-year Plan
9/13/99
Panel of Customers

operations in the country, in terms of operating costs per employee.

Three - Southwestern's capital investments must be amortized over a reasonable period of years.

Four - The keystone of Southwestern's mission is the preference in sale of hydropower to public bodies and cooperatives.

Five - Congress has authorized the building of transmission lines and related facilities as necessary to distribute federal hydropower in wholesale quantities. This is the legal basis for Southwestern's 1380 miles of transmission lines, the many sub-stations, and the fiber optic

telecommunication system currently being developed.

Six - The funding required to construct, operate and maintain these facilities comes from customers, whose payments are deposited in the Treasury as miscellaneous receipts. Southwestern has developed a number of alternative financing methods which have been approved by Congress through the budget and appropriation process.

Southwestern has expanded on the ability to perform cost reimbursable work for others. This authority and the use of net-billing of power payments has been used to do work such as transmission line relocations and retro-fitting turbines to increase dissolved oxygen for downstream trout.

Fortunately, Southwestern's broad authority under Section Five has been complemented by wide exemptions from red tape, regulations and layers of authority imposed on other Government agencies. Likewise, Congress gave Southwestern condemnation authority to acquire rights-of-way necessary to operate.

Southwestern has access to a statutory continuing fund for use in times of drought, and has developed non-federal financing of innovative projects, such as Robert D. Willis hydroelectric project, which was 100 percent financed with customer funds.

Southwestern has a distinct, unique mission within the federal government. Through the laws passed by Congress and discretion conferred by the courts, PMAs have wide latitude and independence in their daily operations. 💧

FERC Grants Waiver to Southwestern

by Tracey Hannon

The Federal Energy Regulatory Commission (FERC) approved Southwestern's open access transmission tariff in May 1998, and required Southwestern to comply with FERC Order No. 889 by submitting a standards of conduct filing with the FERC. Order No. 889 contains rules governing an Open Access Same-Time Information system (OASIS) and prescribing Standards of Conduct.

Its purpose is to ensure that potential customers of open access transmission service receive information that will enable them to obtain service on a non-discriminatory basis. A portion of the Standards of Conduct is intended to implement the functional separation of transmission and wholesale merchant functions of utilities.

Southwestern proposes to comply with all the Standards of Conduct, as applicable to the delivery of non-Federal power, except the separation of functions requirement. FERC has granted Southwestern a waiver of the functional separation portion of the Standards based on Southwestern's small size, federal mandate, and the undue financial burden that would be caused by requiring a separation of functions. The following time line summarizes Southwestern's standards of conduct filing:

June 23, 1998

Southwestern filed its standards of conduct and petitioned for a waiver of the separation of functions requirement with the FERC

July 2, 1998

The FERC issued a Notice of Filing

regarding Southwestern's submittal in which any person desiring to intervene or protest said filing was given the opportunity to do so with the FERC by July 17, 1998.

July 17, 1998

The Southwestern Power Resources Association filed comments in support of Southwestern's request. No protests were filed.

September 18, 1998

The Federal Energy Regulatory Commission issued an order granting Southwestern's petition for waiver of the separation of functions requirement of the Standards of Conduct and requiring Southwestern to submit a revised standards of conduct incorporating minor changes suggested by the Commission.

October 16, 1998

Southwestern revised its standards of conduct to comply with the Commission's September 18, 1998 Order, and filed them with the FERC.

For your convenience the procedures for implementing Southwestern's standards of conduct are posted on its homepage at

www.swpa.gov. 💧



update

Duplicate Great Ideas

The FY 99 copier budget is reduced by one-third. How can this be accomplished? Returning the leased BIG copier currently in the mail room will contribute to much of the savings. Southwestern plans to share a large copier with the National Petroleum Technology Office for a much lesser shared cost.

Also adding to savings is the reduction of number of copy machines throughout Southwestern from 13 to 10. The three copiers will be returned when the leases expire.

Employees remain good natured and flexible as the juggling act begins while moving copiers from one location to the other to meet all needs.



Surf the System

To communicate with customers more frequently, efficiently, and at a lower cost, use Southwestern's website as a resource to keep updated on the latest information. Please visit often. Listed below are some of the topics:

Now Available:

Latest Y2K Information
Strategic Plan
Job Vacancies
Customer and System Maps
Generation Information
Rate Information
Status of Legislation

Coming Soon:

FY 1997 Audited Financial Report



Reassignments

Glenn "Wade" Malone
Electronics Technician
Jonesboro Maintenance

Jack L. Wayer
Equipment Operator
Jonesboro Maintenance

James R. Carnahan
Power System Dispatcher
Springfield Operations

Retirements

Francis R. Gajan
Office of the
Administrator

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